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C O N F I D E N T I A L SECTION 01 OF 03 YAOUNDE 000738

STATE PLS PASS TO DEPT OF AGRICULTURE

SIPDIS

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TAGS: [CM](#) [EAGR](#) [EAID](#) [ECON](#) [PGOV](#)  
SUBJECT: CAMEROON'S FOOD CHALLENGES

Classified By: Pol/Econ Chief Scott Ticknor for reasons 1.4 (b) and (d)

11. (C) Summary: Cameroon's food sector challenges remain unchanged since rising food prices were a major factor in sparking civil unrest in February. Significant impediments to a more productive agricultural sector include the dysfunctional nature of the government (particularly the Ministry of Agriculture), widespread corruption, and the lack of realistic government planning. Although Cameroon is a net agricultural exporter, it is a net food importer, and the government of Cameroon (GRC) focuses the majority of attention and resources in agriculture on export crops. In spite of political declarations, the GRC's food policy is not clearly and explicitly formulated. In April, as an aftermath of the February riots, the GRC officially announced an "emergency plan" for the revival of agricultural products, aimed at doubling national food production by 2010. This plan proposed soliciting 500 billion FCFA (\$1.2 billion) from donors, over ten times more than the Ministry of Agriculture's yearly operating budget of 40 billion (\$96 million). The disconnect between GRC planning and implementation, paired with the rising prices of oil and global food stocks, could lead to even higher food prices, and possibly more civil unrest. Cameroon accounts for 70% of the CEMAC region's agricultural market and its food challenges have regional implications. The USG should continue to assist agriculture in Cameroon, through Food for Progress, Peace Corps and other programs. End summary.

#### A Basketful of Challenges

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12. (U) There have been no significant changes in high food prices since the February riots, which were sparked in large measure by rising food and petroleum prices, and left an estimated 40 dead. Cameroon's agricultural potential is vast, with great variance in climate and soil types. Agriculture accounts for 60% of employment and 55% of export earnings. Cameroon is a net agricultural exporter but a net food importer, and imports of staples such as rice, wheat, and flour remain very high. For example, while an estimated 63,000 tons of rice will be produced in Cameroon this year, 600,000 tons of rice were imported in 2007. An estimated 75% of Cameroon's arable land is presently unused because small plot farmers lack the means, incentives, and infrastructure to expand production. Eighty-seven percent of Cameroonian farms cover less than one hectare (approximately 2.5 acres) and the great majority of small plot farmers are uneducated and untrained. An estimated 30% of the population suffers from food insecurity and 30-40% of children exhibit signs of malnutrition, resulting in part from inadequate sources of

protein.

¶3. (U) High oil prices have resulted in higher production prices for small plot farmers who depend on imported external inputs. Cameroon does not produce key inputs such as fertilizers, farm equipment, and agricultural chemicals. The intermediaries transporting crops between farm and market must also account for increases in transportation costs. Both price hikes are passed down to consumers, who are faced with exceedingly high retail prices. The urban poor are the hardest hit because they carry the burden of transportation costs, generally lack the strong social structure of the rural village, and are more used to eating grains than people in the villages, who eat more tubers. Inadequate water management, particularly in the Northern regions, is a debilitating obstruction to increasing yields. The Cameroon Academy of Sciences reports that proper water management in the Northern Sudano-Sahelian region would increase farm production by as much as 30%. In all regions in the country, pests threaten the health of crops, and the only pest chart available is 21 years out of date. Other constraints in agriculture are difficult access to markets, environmental degradation, inadequate credit, and weak agricultural institutions.

#### Government Inaction

¶4. (SBU) The most recently published GRC agricultural strategy is dated July 2006. Since then, the GRC has taken few concrete steps in addressing its agricultural policy.

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New government agriculture promotion campaigns, slated to begin March 15 in Southern Cameroon, and June 15 in Northern Cameroon, have not yet begun. In a cabinet meeting following the February riots, Prime Minister Ephraim Inoni announced the creation of an emergency account to help farmers in times of crisis, but neither Ministry of Agriculture officials nor other agriculture contacts knew the status of this account.

¶5. (SBU) Government corruption and mismanagement greatly exacerbate existing agricultural sector problems in infrastructure, access to inputs, farmer education, and research. While current NGO agricultural research reports exist, these appear largely ignored by the GRC. Since 1985, government funding for agricultural research and development has progressively dropped. Furthermore, because government-funded research institutes don't guarantee job security, whereas universities do, the majority of trained agriculturalists go into teaching careers rather than into practical research. The Secretary General of the Cameroon Academy of Sciences predicts that, given current trends, all government agricultural research will be terminated by 2012. Past agricultural programs focused on exports (such as coffee and cocoa) rather than on food crops. The GRC actively supports and provides information to medium- and large-scale cotton farmers in Northern Cameroon, while reportedly ignoring the small plot sorghum farmers next door.

¶6. (U) In April, the GRC announced an emergency agricultural plan as a response to rising food prices, with a price tag of 500 billion FCFA (\$1.2 billion). The plan's goal is to double agricultural production of 14 crops- rice, cassava, beans, palm oil, cocoa, coffee, rubber, corn, bananas, potatoes, peanuts, millet, sorghum, and cotton- by 2010 (a target previously set for 2015). Media reports explain that the GRC intends to subsidize fertilizer use by between 20% and 50%, subsidize tractors by 15%, and create free seed banks. However, the plan's strategy remains vague three months after its inception, and senior Ministry of Agriculture officials could not explain how the plan's goals would be met, or how the necessary funds could be raised. The GRC has publicized its efforts to suspend import duties and negotiate food prices with wholesalers; however, these measures have not yet translated into lower consumer prices.

Media reports suggest that corrupt wholesalers have used the reduced duties to their advantage by retaining high retail prices. The FAO prepared a 2008-2015 food security plan for the government which appears to be getting little political attention.

Comment  
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¶7. (C) GRC economic management in general suffers from poor coordination, weak implementation, lack of vision, and high levels of corruption. This is particularly evident in agriculture. The government claims agriculture is a priority, but does not seem to coordinate efforts or allocate the resources needed to boost production. Despite high rhetoric, there is little belief among our agricultural contacts that the emergency plan will ever be fleshed out or produce significant results. NGOs and media reports have called the plan unrealistic, out of context, and dangerous. Technical problems inherent in the plan itself highlight the need for improved dialogue between the GRC and agricultural researchers. For example, agricultural experts see as unrealistic the plan to double the production of coffee, palm oil, and rubber by 2010, arguing that these are not yearly crops, and each respective plant requires years of growth before it is ready for harvest. The generality of the plan has also been critiqued, as there is no specific tailoring for staple food crops or small plot farmers. In addition, the proposed ten-fold jump in the Ministry of Agriculture's yearly operating budget is wholly unrealistic.

¶8. (C) Despite the sector's challenges, Cameroon is a major regional agricultural producer, accounting for 70% of the agricultural market in the Central African CEMAC region, according to the FAO. Consumers in neighboring countries travel to Cameroon to buy food because it is relatively cheaper and more easily accessible, which increases prices and reduces availability for Cameroonian consumers. Higher food prices or disruptions in availability in Cameroon will

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impact food prices for the entire region. They will also have broader implications within Cameroon. High food prices are already contributing to an upward revision of inflation estimates. In addition, local NGOs have expressed fears that the Ministry of Agriculture's inconsistencies and inability to reform the food sector, aggravating high food prices, could lead to a repeat of the kind of violence seen in February. This is especially true given widespread discontent about governance, democratic setbacks, and persistent high unemployment and poverty resulting from broader economic problems.

¶9. (U) The USG is helping meet Cameroon's food challenges. The Peace Corps currently has 39 agro-forestry extension volunteers working in Cameroon to increase public awareness about sustainable farming systems and improved natural resource management. Post's Self-Help Fund also supports small agricultural projects and we have actively promoted AGOA, most recently by participating in a DVC during the AGOA Forum, by organizing a workshop on phyto-sanitary norms for export to the United States, and by hosting a lunch at the Ambassador's residence with key agriculture players. Our largest agriculture activity is the USDA's Food for Progress program, which has used the proceeds of over \$20 million in donated commodities to fund a range of agricultural development projects. USDA Norman E. Borlaug fellowships have paid for 25 young Cameroonian scientists to enhance their agricultural skills at research facilities in the U.S.

¶10. (U) Food for Progress money will run out in 2010; in order for us to have a seat at the table to influence GRC agricultural policy and to encourage the private sector in agriculture, it is important for us to have some form of continued USDA assistance. This could include renewed Food for Progress funding and/or technical assistance, possibly

for post-harvest techniques such as processing and storage. Other USG assistance focused on agriculture could also be helpful. Enhanced EX-IM Bank financing for U.S. agricultural exports could facilitate the import of cheaper commodities (Cameroon imports some U.S. rice and about \$3 million of U.S. wheat). AGOA has already benefited Cameroonian exports of cash crops (mainly cocoa, timber, rubber and coffee), which should help boost purchasing power and the overall economy, while helping build buy-in for agricultural and trade reform; continuing these benefits will further positively impact Cameroon's economic development. Meanwhile, we can also play an important role in encouraging the GRC to improve upon its policy and plan implementation.

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